GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1406
ANSWERED ON:11.03.2005
PERMISSION FOR COOPERATIVE BANKS
Mahajan Shri Y.G.

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the cooperative banks in the country are not permitted to do business in more than one State;

(b) if so, the reasons therefor;

(c) whether the Government is contemplating to grant permission to the cooperative banks for doing business in more than one State;

(d) if so, the details thereof; and

(e) the present status of cooperative banks in the country, particularly in Maharashtra?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) :

(a) to (d) Cooperative Banks can function in more than one State provided they are registered under the Multi State Cooperative Societies Act. Co-operative banks that are registered under their respective State Co-operative Societies Acts can function within that state only. To do business in more than one State, Co-operative Banks have to fulfill the requirements as set out in Section of the Multi State Co-operative Societies Act.

(e) Out of 670 Urban Co-operative Banks in Maharashtra, 20 are Multi State Co-operative Banks. The State Co-operative Bank and all District Central Cooperative Banks in Maharashtra operate within the State.